## REMARKS

In the Office Action of March 27, 2008, claims 11-15 were rejected under 35 U.S.C. 102(b) as being anticipated by Reed et al. (U.S. Patent No. 4,255,129). It is indicated that Reed discloses an apparatus for producing organic materials into more useful states, and Reed further teaches a heating chamber, a cooling chamber, and a transfer chute connecting therebetween. In Reed, a combustion chamber is provided to heat the heating chamber, and the combustion chamber is filled with air heated by a burner.

In response to the rejections under 35 U.S.C. 102(b), claim 11 has been amended to clarify the feature of the invention. Claim 11 now recites that heating means have a plurality of heating panels arranged vertically, and each heating panel has a hollow portion inside thereof. The each heating panel has fluid inside the hollow portion. Organic waste is moved by rakes and falls in a stepwise fashion from an inlet to an outlet through the heating panels while being treated at 100-200°C in a vessel.

As is obvious from a comparison between the present invention and Reed, Reed does not expressly or inherently teach the hollow portion in the heating panel or the fluid inside the hollow portion as recited in the present invention. Therefore, Reed lacks this structure in its disclosure.

Also, as per a temperature for treating the compost material, the invention controls the temperature in a range of 100 to 200°C because, as the present invention indicates in paragraph 7 on page 2 in the specification, if organic matter is heated at a high temperature and carbonized, the product no longer has function as organic fertilizer. On the other hand, according to Reed (column 12, lines 60-68), a range of temperature is 300-2000°F, and a preferred range of temperature is 700-1600°F. Therefore, Reed does not consider the purpose of the present invention.

Serial No. 10/786,084

For the reasons stated above, the rejection under 35 U.S.C. 102(b) on claim 11 should be obviated.

Further, claims 12-15 were amended to correct clerical errors, and new claims 33-37 have been filed. Claims 12-15 and 33-17 further limit claim 11, so that these claims should be patentable as well.

Reconsideration and allowance are earnestly solicited.

Respectfully Submitted,

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